

OFFICE FILE COPY

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 0 1 - 2 2 STATE: Texas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

See Attachment

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 15,640,599
b. FFY 2003 \$ 18,095,727

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

See Attachment

10. SUBJECT OF AMENDMENT: Amendment No. 617 specifies that the discount factor applied to reimbursement for outpatient hospital services provided by high-volume providers shall be at 84.48% of allowable cost.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Linda K. Wertz

13. TYPED NAME:

Linda K. Wertz

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

November 16, 2001

16. RETURN TO:

Linda K. Wertz
State Medicaid Director
Health and Human Services Commission
Post Office Box 13247
Austin, Texas 78711

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

DEC 13 2001

18. DATE APPROVED:

FEB 12 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

OCT 1 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

Sandra Hall

21. TYPED NAME:

for CARVER G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

CORRECTED

Attachment to HCFA-179 for
Transmittal No. 01-22, Amendment No. 617

Number of the
Plan Section or Attachment

Attachment 4.19-B
Page 2

Number of the Superseded
Plan Section or Attachment

Attachment 4.19-B
Page 2 (TN01-02)

4. The amount payable for outpatient hospital services provided by approved Title XIX hospitals is determined under similar methods and procedures used in Title XVIII of the Social Security Act, as amended, effective October 1, 1982 through July 31, 2000, by Public Law 97-248, except as may be otherwise specified by the Single State Agency including the application of the following reduction percentages. For the period September 1, 1999 through September 30, 2001, reimbursement for outpatient hospital services shall be at 80.3% of allowable cost. For the period beginning October 1, 2001, reimbursement for outpatient hospital services for high-volume providers, as defined by the Single State Agency, shall be at 84.48% of allowable cost. For the remaining providers, reimbursement for outpatient hospital services shall be at 80.3% of allowable cost. A high-volume provider is defined as one which is paid at least \$200,000 during calendar year 2000. Reimbursement for outpatient hospital surgery is limited to the lesser of the amount reimbursed to Ambulatory Surgical Centers (ASCs) for similar services, the hospital's actual charge, the hospital's customary charge, or the allowable costs determined by the Single State Agency or its designee.

The methodology described in this section is also applicable to those off-site facilities owned and operated by the state, a hospital district, or other public entity, that were reimbursed by Title XVIII as part of the outpatient hospital prior to October 1, 2000.

5. Refer to Item 5 on page 2 b.
6. Refer to Item 6 on page 2 a.
7. Payment for Family Planning services are made in accordance with the provisions contained in items 1, 3, 35, 41 depending on the service provided and the provider type. For other agencies which are physician directed and are approved to provide family planning services under this state plan, the upper limits for payment will be not in excess of a fee schedule, as approved by the Single State Agency, for each of the professional services authorized as benefits.

SUPERSEDES TN- TX 01-02

STATE	<u>Texas</u>
DATE REC'D	<u>12-13-01</u>
DATE APP'D	<u>02-12-02</u>
DATE EFF	<u>10-1-01</u>
HCFA 179	<u>TX 01-22</u>

A



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services

Calvin G. Cline

Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

13 FEB 2002

Our Reference: SPA-TX-01-22

Ms. Linda K. Wertz, State Medicaid Director
Texas Health and Human Services Commission
Post Office Box 13247
Austin, Texas 78711

Dear Ms. Wertz:

We have enclosed a copy of HCFA-179, **Transmittal Number 01-22**, dated November 16, 2001.

This amendment specifies that the discount factor applied to reimbursement for outpatient hospital services provided by high-volume providers shall be at 84.48% of allowable cost. We have approved the amendment for incorporation into the official Texas State Plan **effective October 1, 2001**. If you have any questions, please call Shirley Glaspie at (214) 767-6407.

Sincerely,

Sandra Hall

for Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

Enclosures

cc: Elliott Wesiman, CMSO, PCPG
Commerce Clearing House

